

**Department of
Veterans Affairs**

Memorandum

REVISED

Date: July 18, 2002

From: Deputy Under Secretary for Health for Operations and Management (10N)

Subj: Status of VHA Enrollment and Associated Issues

To: Network Directors (N1 - N23)

1. As you are aware, VHA is currently facing a growing crisis related to the continued demand for healthcare services that exceeds our resources. The most recent enrollment summary (April) shows a 13.5% increase in users this year compared to the same time last year and a 15% increase in enrollment while expenditures rose 7.8%. Preliminary actuarial projections indicate that growth in enrollments and consequent demand is expected to continue. Against this backdrop is very conservative OMB budget guidance for 2004. The outcome of this situation is a waiting list for patients to be seen in many clinics across the country and general waiting times that exceed VHA's standard of 30 days. Moreover, actuarial projections indicate a widening gap in the demand versus resource availability.

2. VHA has achieved significant advances in quality and coordination of patient care. However, the current situation puts those advances at risk. In this environment, marketing of VA services with such activities as health fairs, veteran open houses to invite new veterans to the facilities, or enrollment displays at VSO meetings, are inappropriate. Therefore, I am directing each Network Director to ensure that no marketing activities to enroll new veterans occur within your networks. Even though some sites might have local capacity, as a national system, all facilities are expected to abide by this policy. Marketing activities could include those mentioned above, as well as generalized mailings to veterans, local newspaper or newsletter articles encouraging veterans to enroll, or similar public service announcements. Exclusions from this mandate can only be considered for certain specialized clinical needs such as homeless standdowns. My office will approve plans for any such activity to minimize different interpretations and to make notifications as necessary. It is important to attend veteran-focused events as part of our responsibilities, but there is a difference between providing general information and actively recruiting people into the system.

3. I recognize that there are incentives within VERA to enroll and treat additional patients and that this has been a significant incentive to VHA's increased efficiency. However, I will be asking the CFO and Finance Subcommittee to address a mechanism to modulate this incentive given our current situation. Some facilities, in their last strategic plans, may have targeted growth at certain levels. Such plans are no longer viable.

4. I appreciate that we are all in a difficult situation. During this period it is important to take those steps that will maintain patient quality care both for our patients and to insure

the credibility and survival of the system. I am counting on the VISN Directors oversight of this issue. Thank you.

Laura J. Miller